

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE APRIL 25, 2012

AMENDED IN SENATE APRIL 9, 2012

## SENATE BILL

**No. 1455**

---

### **Introduced by Senator Kehoe**

(Principal coauthor: Assembly Member Skinner)

February 24, 2012

---

An act to add ~~Section 43867.5~~ *Sections 43867.5 and 43867.6* to the Health and Safety Code, relating to vehicular air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1455, as amended, Kehoe. Alternative fuels.

Existing law requires the State Energy Resources Conservation and Development Commission, in partnership with the State Air Resources Board, to develop and adopt a state plan to increase the use of alternative transportation fuels.

This bill would require the commission and the state board, among other things, to coordinate efforts to ~~implement the state alternative fuels goal, as specified~~ *measure the progress of alternative fuels use*. The bill would require the commission and the state board, on or before November 1, 2014, to update a specified economic analysis. *The bill would require the commission and the state board to evaluate how the use of new and existing investment programs could be used to attain increase the state alternative transportation fuels goal use, and evaluate how the impact of federal fuel policies and existing state policies will help attain the state increase the use of alternative transportation fuels goal in the state.* The bill would require the commission and the state

board, on or before November 1, 2015, and every 2 years thereafter, to report in the integrated energy policy report, as specified, the status and implementation of reaching the state's alternative transportation fuels goals use, as specified, and make specified evaluations. The bill would require the state board to include a finding on the effect of proposed regulations related to the on state alternative transportation fuels goal use.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 43867.5 is added to the Health and Safety  
2 Code, to read:  
3 43867.5. (a) The Legislature finds and declares all of the  
4 following:  
5 (1)  
6 (a) The state overwhelmingly relies on a single source of fuel,  
7 petroleum, for its transportation needs, and nearly one-half of that  
8 petroleum comes from overseas. This overreliance on petroleum  
9 leaves residents vulnerable to supply interruptions and price  
10 instabilities, and it leaves consumers with essentially no options  
11 for alternative transportation fuels.  
12 (2)  
13 (b) Residents spend over twenty billion dollars  
14 (\$20,000,000,000) each year on petroleum fuel imports,  
15 representing a significant missed economic opportunity.  
16 (c) *It is in the interest of the state to increase alternative fuels*  
17 *usage to reduce fuel price volatility, improve environmental quality*  
18 *and transportation energy security, and demonstrate the state's*  
19 *continued leadership in reducing greenhouse gas emissions.*  
20 (3)  
21 (d) The "State Alternative Fuels Plan," which was adopted by  
22 the state board and the State Energy Resources Conservation and  
23 Development Commission pursuant to Section 43866, outlined  
24 specific strategies and targets that would increase the use of  
25 alternative and nonpetroleum fuels. The strategy set a *moderate*  
26 *growth* goal of 26 percent penetration for alternative fuel use in  
27 on-road and off-road vehicles by 2022. In 2007, alternative fuels

1 accounted for less than 5 percent of the transportation sector's  
2 consumption.

3 ~~(4)~~

4 (e) Therefore, it is in the interest of the state to ~~codify~~ *evaluate*  
5 *progress toward increasing* alternative fuels usage ~~goals that will~~  
6 ~~help guide the state down a path to transportation energy security,~~  
7 ~~improve environmental quality, reduce fuel price volatility, and~~  
8 ~~demonstrate the state's continued leadership in reducing~~  
9 ~~greenhouse gas emissions.~~

10 ~~(b)~~

11 SEC. 2. Section 43867.6 is added to the Health and Safety  
12 Code, to read:

13 43867.6. (a) In order to ~~attain a goal~~ *measure the progress of*  
14 ~~at least 26 percent alternative transportation fuels~~ *alternative fuels*  
15 use for on-road and off-road vehicles in the state ~~by 2022~~, it is the  
16 intent of the Legislature that the state board and the State Energy  
17 Resources Conservation and Development Commission ~~implement~~  
18 *shall update the analysis of* the state alternative transportation fuels  
19 ~~goal use~~ described in this section.

20 ~~(e)~~

21 (b) The state board and the State Energy Resources Conservation  
22 and Development Commission shall coordinate efforts to  
23 implement this article. ~~Implementation also shall complement~~  
24 ~~existing state and federal policies and programs.~~

25 ~~(d)~~

26 (c) On or before November 1, 2014, the state board and the  
27 State Energy Resources Conservation and Development  
28 Commission shall ~~do all of the following:~~

29 ~~(1) Update~~ *update* the economic analysis used in developing  
30 and reviewing state board regulations to include a range of  
31 petroleum *and alternative* fuel prices to more accurately assess  
32 the future cost of petroleum-based *and alternative* fuels.

33 (d) *The State Energy Resources Conservation and Development*  
34 *Commission, in consultation with the state board, shall do all of*  
35 *the following:*

36 ~~(2)~~

37 (1) Evaluate how the use of new and existing investment  
38 programs could be used to ~~attain~~ *increase* the state alternative  
39 transportation fuels ~~goal use~~.

40 ~~(3)~~

(2) Evaluate how the impact of federal fuel policies and existing state policies will help ~~attain the state~~ *increase the use of* alternative transportation fuels ~~goal in the state~~.

(e) On or before November 1, 2015, and every two years thereafter consistent with and reported within the integrated energy policy report, pursuant to Section 25302 of the Public Resources Code, the state board and the State Energy Resources Conservation and Development Commission shall report on the status ~~and implementation of reaching the state~~ *state's* alternative transportation fuels ~~goals use~~ in subdivision ~~(b)~~ *(a)* and make evaluations required in subdivision (d). The report shall include details as to the quantities of alternative fuels used in the state during the preceding years in absolute terms and as a percentage of the state's overall transportation fuel mix.

(f) As part of developing relevant new and amended regulations, the state board shall include a finding on the effect of proposed regulations ~~related to~~ *on* the state alternative transportation fuels ~~goal use~~.

(g) This section shall be implemented consistent with the environmental, public health, and sustainability considerations included in Sections 44271 and 44272. Further, nothing in this section shall be interpreted to preempt the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500)) or the programs and policies implemented pursuant to that act.

(h) The state board and the State Energy Resources Conservation and Development Commission, ~~in implementing~~ *studying* the state alternative transportation fuels ~~goal use~~, shall seek to ~~achieve~~ *measure* all of the following:

(1) In-state job creation through the continued development of an alternative fuels industry in the state.

(2) ~~Decrease economic~~ *Economic* vulnerability of residents to future, costly petroleum fuel price spikes by ~~positioning the state to be an early adopter of the use of either petroleum fuels or~~ alternative fuels and vehicles.

(3) ~~Maximize alternative~~ *Alternative* fuel market penetration in nonattainment areas.

- 1     (4) Increase access to *the supply of* alternative fuels and
- 2     alternative fuel vehicles for all residents, *including barriers to*
- 3     *supply*.

O